

House File 502 - Introduced

HOUSE FILE _____
BY COMMITTEE ON LOCAL GOVERNMENT

(SUCCESSOR TO HF 111)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing for petition and election to approve the use of
2 increased local sales and services tax revenues to fund urban
3 renewal projects.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1422HV 83
6 tw/mg:sc/8

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1 1 Section 1. Section 423B.1, subsection 6, paragraph c, Code
1 2 2009, is amended to read as follows:

1 3 c. Notwithstanding any other provision in this section, a
1 4 change in use of the local sales and services tax revenues for
1 5 purposes of funding an urban renewal project pursuant to
1 6 section 423B.10 does not require an election, except as
1 7 provided in section 423B.10, subsection 2.

1 8 Sec. 2. Section 423B.10, subsection 2, Code 2009, is
1 9 amended to read as follows:

1 10 2. a. An eligible city may by ordinance of the city
1 11 council provide for the use of a designated amount of the
1 12 increased local sales and services tax revenues collected
1 13 under this chapter which are attributable to retail
1 14 establishments in an urban renewal area to fund urban renewal
1 15 projects located in the area. The designated amount may be
1 16 all or a portion of ~~such the~~ increased revenues allocable to
1 17 the eligible city under section 423B.7.

1 18 b. Prior to consideration of an ordinance under this
1 19 section, a city council shall adopt a resolution stating its
1 20 intent to propose the ordinance. If within thirty days of the
1 21 adoption of the resolution, a petition is filed with the clerk
1 22 of the city in the manner provided by section 362.4 asking
1 23 that the question of the use of a designated amount of the
1 24 increased revenues allocable to the city be submitted to the
1 25 registered voters of the city, the council shall either by
1 26 resolution declare the proposal to have been abandoned or
1 27 shall direct the county commissioner of elections to call a
1 28 special election to be held on a date specified in section
1 29 39.2, subsection 4, paragraph "b". If the vote in favor of
1 30 the proposition is equal to at least a majority of the total
1 31 votes cast for and against the proposition, the city council
1 32 may proceed with consideration of an ordinance authorizing
1 33 funding of urban renewal projects as provided in paragraph
1 34 "a".

1 35 c. If no petition is filed, the council may proceed with
2 1 consideration of an ordinance authorizing funding of urban
2 2 renewal projects as provided in paragraph "a".

2 3 Sec. 3. Section 423B.10, subsection 3, unnumbered
2 4 paragraph 1, Code 2009, is amended to read as follows:
2 5 To determine the revenue increase allocable to the city for
2 6 purposes of subsection 2, revenue amounts shall be calculated
2 7 by the department of revenue as follows:

2 8 Sec. 4. TAXES RECEIVED PRIOR TO EFFECTIVE DATE. The
2 9 amount of the increased local sales and services taxes
2 10 received by a city under chapter 423B prior to the effective
2 11 date of this Act that have been designated by a city by
2 12 ordinance to fund urban renewal projects pursuant to section
2 13 423B.10 shall be deposited in the city's special fund created
2 14 in section 403.19, subsection 2, and shall be used to fund
2 15 urban renewal projects located in an urban renewal area.

2 16 Sec. 5. OBLIGATIONS OF CITIES. This Act shall not
2 17 relieve, impair, or otherwise alter the obligations of a city

2 18 relating to bonds issued pursuant to chapter 403 prior to the
2 19 effective date of this Act or contracts made prior to the
2 20 effective date of this Act in connection with an urban renewal
2 21 project.

2 22 EXPLANATION

2 23 This bill relates to the use of sales and services tax
2 24 revenues to fund urban renewal projects.

2 25 Current law allows an eligible city to provide by ordinance
2 26 for the use of a designated amount of the increased local
2 27 sales and services tax revenues attributable to retail
2 28 establishments in an urban renewal area to fund urban renewal
2 29 projects located in the area. Current law does not require an
2 30 election prior to the designation of these revenues.

2 31 The bill requires an eligible city to adopt a resolution of
2 32 intent before proposing an ordinance authorizing the use of
2 33 local sales and services tax revenues for urban renewal. If
2 34 within 30 days of the adoption of the resolution, a petition
2 35 requesting an election on the question is filed with the city
3 1 clerk, the city council must either declare the proposal
3 2 abandoned or direct the county commissioner of elections to
3 3 call a special election on the question. If the vote in favor
3 4 of the proposition is approved by voters, the city may proceed
3 5 with the consideration of the ordinance. If no petition is
3 6 filed, the council may proceed with consideration of the
3 7 ordinance.

3 8 The bill specifies that the amount of increased revenues
3 9 designated for urban renewal projects may be all or a portion
3 10 of the increased revenues allocable to the eligible city.

3 11 The bill provides that any local sales and services taxes
3 12 received prior to the effective date of the bill and
3 13 designated for urban renewal projects must be deposited in the
3 14 city's special fund and used to fund urban renewal projects.

3 15 The bill provides that the funding of urban renewal
3 16 projects with increased sales and services tax revenues shall
3 17 not relieve, impair, or alter the obligations of a city in
3 18 regard to certain bonds or contracts.

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